



PUBLIC NOTICE

Federal Communications Commission
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DA 02-2925
October 31, 2002

ENFORCEMENT BUREAU SEEKS COMMENTS ON SBC COMMUNICATIONS SECTION 272 COMPLIANCE BIENNIAL AUDIT REPORT IN CC DOCKET NO. 96-150

Comments due: December 30, 2002

Pursuant to section 271 of the Communications Act of 1934, as amended ("Communications Act"),¹ the Commission has authorized SBC Communications, Inc. ("SBC") to enter the in-region interLATA market in Texas, Kansas, and Oklahoma.² Section 272 of the Communications Act requires Bell Operating Companies to offer in-region, interLATA service through separate affiliates that comply with certain structural, nondiscrimination, and accounting safeguards. Section 272(d) requires a biennial compliance audit.³ We have received the results of the biennial audit of SBC's first year of operations in Texas, Kansas, and Oklahoma. The audit report, which was submitted by Ernst and Young, LLP on December 17, 2001, includes: Report of Independent Accountants on Applying Agreed-Upon Procedures; SBC's Response to the Report of Independent Accountants; and Observation of the Joint Federal/State Oversight Team.

Section 272(d)(2) of the Communications Act requires that the results of the audit be made publicly available.⁴ Having resolved certain confidentiality issues concerning the audit report,⁵ we now release the attached audit report. In accordance with section 53.213(d) of the Commission's rules, interested parties

¹ 47 U.S.C. § 271.

² *Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region InterLATA Services in Texas*, CC Docket No. 00-65, Memorandum Opinion and Order, 15 FCC Rcd 18354 (2000) (*SBC Texas 271 Order*); *Joint Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region InterLATA Services in Kansas and Oklahoma*, CC Docket No. 00-217, Memorandum Opinion and Order, 16 FCC Rcd 6237 (2001) (*SBC Kansas/Oklahoma 271 Order*).

³ 47 U.S.C. § 272(d).

⁴ 47 U.S.C. § 272(d)(2).

⁵ *Accounting Safeguards Under the Telecommunications Act of 1996: Section 272(d) Biennial Audit Procedures*, CC Docket No. 96-150, Memorandum Opinion and Order, 17 FCC Rcd 17012 (2002) (*SBC Section 272 Confidentiality Order*).

may file comments on the report with the Commission within 60 days.⁶ Accordingly, comments are due no later than December 30, 2002.

EX PARTE PRESENTATIONS

Pursuant to section 1.1206 of the Commission's rules, this proceeding will be conducted as a permit-but-disclose proceeding in which ex parte communications are permissible but subject to disclosure.⁷

FILING PROCEDURES

Interested parties may file comments on the biennial audit report using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.⁸ Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address.>" A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. All filings must be sent to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., CY-B402, Washington, D.C. 20554.

Parties who choose to file by paper should also submit their comments on diskette. These diskettes should be submitted to: Ernestine Creech, Room 6-C317, Investigations and Hearings Division, Enforcement Bureau, 445 12th Street, S.W., Washington, D.C. 20554. Such a submission should be on a 3.5-inch diskette formatted in an IBM compatible format using Word or compatible software. The diskette should be accompanied by a cover letter and should be submitted in "read only" mode. The diskette should be clearly labeled with the commenter's name, proceeding (including the docket number, in this case CC Docket No. 96-150, type of pleading (comments), date of submission, and the name of the electronic file on the diskette. The label should also include the following phrase "Disk Copy - Not an Original." Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, commenters must send diskette copies to the Commission's copy contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, D.C. 20554.

⁶ 47 C.F.R. § 53.213(d).

⁷ 47 C.F.R. § 1.1206.

⁸ See Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (1998).

All filings must contain the docket or rulemaking number that appears in the caption of this proceeding. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistronix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. The filing hours at this location are 8 am. to 5:30 p.m. First-class U.S. Postal Service mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must contain the Docket Number, and must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In accordance with the Commission's earlier Public Notice announcing that hand-delivered or messenger-delivered filings are no longer accepted at the Commission's headquarters, **hand-delivered or messenger-delivered filings must be delivered to 236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002.**⁹

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com.

If you are sending this type of document or using this delivery method...	It should be addressed for delivery to...
Hand-delivered or messenger-delivered paper filings for the Commission's Secretary	236 Massachusetts Avenue, NE, Suite 110, Washington, DC 20002 (8:00 a.m. to 7:00 p.m.)
Commercial overnight mail (other than United States Postal Service Express Mail and Priority Mail)	9300 East Hampton Drive, Capitol Heights, MD 20743 (8:00 a.m. to 5:30 p.m.)
United States Postal Service first-class mail, Express Mail, and Priority Mail	445 12 th Street, SW Washington, DC 20554

⁹ See Public Notice, "FCC Announces New Filing Location for Paper Documents," DA 01-2919 (rel. December 14, 2001).

Parties are strongly encouraged to file comments electronically using the Commission's Electronic Comment Filing System (ECFS).

Copies of the biennial audit report (attached) and any subsequently filed documents in this matter may be obtained from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com. Electronic versions of the report are also available on the FCC's Internet Home Page (<http://www.fcc.gov>) and through the Commission's Electronic Comment Filing System. To the extent that parties file electronic versions of comments, such filings also will be available on the FCC's Internet Home Page and through the Commission's Electronic Comment Filing System. Copies of the audit report (attached) and documents are also available for public inspection and copying during normal reference room hours at the Commission's Reference Center, 445 12th Street, S.W., CY-A257, Washington, D.C. 20554.

For further information, contact Hugh L. Boyle at (202) 418-7147 or Mika Savir at (202) 418-0384.

Action by the Chief, Enforcement Bureau